



General Assembly

Amendment

February Session, 2022

LCO No. **5507**



Offered by:

REP. WOOD K., 29th Dist.

REP. PAVALOCK-D'AMATO, 77th Dist.

To: Subst. House Bill No. **5042**

File No. 56

Cal. No. 85

"AN ACT CONCERNING HEALTH CARE COST GROWTH."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. (NEW) (*Effective January 1, 2023*) (a) For the purposes of this
4 section, "health enhancement program" means a health benefit program
5 that ensures access and removes barriers to essential, high-value clinical
6 services.

7 (b) (1) Not later than January 1, 2024, each insurer, health care center,
8 hospital service corporation, medical service corporation, fraternal
9 benefit society or other entity that delivers, issues for delivery, renews,
10 amends or continues in this state an individual or group health
11 insurance policy providing coverage of the type specified in
12 subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of the general
13 statutes shall develop not less than two health enhancement programs
14 under such policy.

15 (2) Each health enhancement program developed pursuant to
16 subdivision (1) of this subsection shall:

17 (A) Be available to each insured under the individual or group health
18 insurance policy; and

19 (B) Provide to each insured under the individual or group health
20 insurance policy incentives that are directly related to the provision of
21 health insurance coverage, provided such insured chooses to complete
22 certain preventive examinations and screenings recommended by the
23 United States Preventive Services Task Force with a rating of "A" or "B".

24 (3) No health enhancement program developed pursuant to
25 subdivision (1) of this subsection shall impose any penalty or other
26 negative incentive on an insured under the individual or group health
27 insurance policy nor shall any insured be required to participate in a
28 health enhancement program.

29 (c) Each individual health insurance policy providing coverage of the
30 type specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469
31 of the general statutes delivered, issued for delivery, renewed, amended
32 or continued in this state shall include coverage for the health
33 enhancement programs that the insurer, health care center, hospital
34 service corporation, medical service corporation, fraternal benefit
35 society or other entity that delivered, issued, renewed, amended or
36 continued such policy developed pursuant to this section.

37 (d) Each group health insurance policy providing coverage of the
38 type specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469
39 of the general statutes delivered, issued for delivery, renewed, amended
40 or continued in this state shall include coverage for the health
41 enhancement programs that the insurer, health care center, hospital
42 service corporation, medical service corporation, fraternal benefit
43 society or other entity that delivered, issued, renewed, amended or
44 continued such policy developed pursuant to this section.

45 (e) The Insurance Commissioner may adopt regulations, in

46 accordance with the provisions of chapter 54 of the general statutes, to
47 implement the provisions of this section.

48 Sec. 502. Subsection (a) of section 19a-639a of the general statutes is
49 repealed and the following is substituted in lieu thereof (*Effective from*
50 *passage*):

51 (a) An application for a certificate of need shall be filed with the unit
52 in accordance with the provisions of this section and any regulations
53 adopted by the Office of Health Strategy. The application shall address
54 the guidelines and principles set forth in (1) subsection (a) of section 19a-
55 639, and (2) regulations adopted by the department. The applicant shall
56 include with the application a nonrefundable application fee [of five
57 hundred dollars] based on the cost of the project. The amount of the fee
58 shall be as follows: (A) One thousand dollars for a project that will cost
59 not greater than fifty thousand dollars; (B) two thousand dollars for a
60 project that will cost greater than fifty thousand dollars but not greater
61 than one hundred thousand dollars; (C) three thousand dollars for a
62 project that will cost greater than one hundred thousand dollars but not
63 greater than five hundred thousand dollars; (D) four thousand dollars
64 for a project that will cost greater than five hundred thousand dollars
65 but not greater than one million dollars; (E) five thousand dollars for a
66 project that will cost greater than one million dollars but not greater than
67 five million dollars; (F) eight thousand dollars for a project that will cost
68 greater than five million dollars but not greater than ten million dollars;
69 and (G) ten thousand dollars for a project that will cost greater than ten
70 million dollars.

71 Sec. 503. Section 19a-630 of the general statutes is repealed and the
72 following is substituted in lieu thereof (*Effective from passage*):

73 As used in this chapter, unless the context otherwise requires:

74 (1) "Affiliate" means a person, entity or organization controlling,
75 controlled by or under common control with another person, entity or
76 organization. Affiliate does not include a medical foundation organized
77 under chapter 594b.

78 (2) "Applicant" means any person or health care facility that applies
79 for a certificate of need pursuant to section 19a-639a, as amended by this
80 act.

81 (3) "Bed capacity" means the total number of inpatient beds in a
82 facility licensed by the Department of Public Health under sections 19a-
83 490 to 19a-503, inclusive.

84 (4) "Capital expenditure" means an expenditure that under generally
85 accepted accounting principles consistently applied is not properly
86 chargeable as an expense of operation or maintenance and includes
87 acquisition by purchase, transfer, lease or comparable arrangement, or
88 through donation, if the expenditure would have been considered a
89 capital expenditure had the acquisition been by purchase.

90 (5) "Certificate of need" means a certificate issued by the unit.

91 (6) "Days" means calendar days.

92 (7) "Executive director" means the executive director of the Office of
93 Health Strategy.

94 (8) "Free clinic" means a private, nonprofit community-based
95 organization that provides medical, dental, pharmaceutical or mental
96 health services at reduced cost or no cost to low-income, uninsured and
97 underinsured individuals.

98 (9) "Large group practice" means eight or more full-time equivalent
99 physicians, legally organized in a partnership, professional corporation,
100 limited liability company formed to render professional services,
101 medical foundation, not-for-profit corporation, faculty practice plan or
102 other similar entity (A) in which each physician who is a member of the
103 group provides substantially the full range of services that the physician
104 routinely provides, including, but not limited to, medical care,
105 consultation, diagnosis or treatment, through the joint use of shared
106 office space, facilities, equipment or personnel; (B) for which
107 substantially all of the services of the physicians who are members of

108 the group are provided through the group and are billed in the name of
109 the group practice and amounts so received are treated as receipts of the
110 group; or (C) in which the overhead expenses of, and the income from,
111 the group are distributed in accordance with methods previously
112 determined by members of the group. An entity that otherwise meets
113 the definition of group practice under this section shall be considered a
114 group practice although its shareholders, partners or owners of the
115 group practice include single-physician professional corporations,
116 limited liability companies formed to render professional services or
117 other entities in which beneficial owners are individual physicians.

118 (10) "Health care facility" means (A) hospitals licensed by the
119 Department of Public Health under chapter 368v; (B) specialty hospitals;
120 (C) freestanding emergency departments; (D) outpatient surgical
121 facilities, as defined in section 19a-493b and licensed under chapter
122 368v; (E) a hospital or other facility or institution operated by the state
123 that provides services that are eligible for reimbursement under Title
124 XVIII or XIX of the federal Social Security Act, 42 USC 301, as amended;
125 (F) a central service facility; (G) mental health facilities; (H) substance
126 abuse treatment facilities; and (I) any other facility requiring certificate
127 of need review pursuant to subsection (a) of section 19a-638. "Health
128 care facility" includes any parent company, subsidiary, affiliate or joint
129 venture, or any combination thereof, of any such facility.

130 (11) "Nonhospital based" means located at a site other than the main
131 campus of the hospital.

132 (12) "Office" means the Office of Health Strategy.

133 (13) "Person" means any individual, partnership, corporation, limited
134 liability company, association, governmental subdivision, agency or
135 public or private organization of any character, but does not include the
136 agency conducting the proceeding.

137 (14) "Physician" has the same meaning as provided in section 20-13a.

138 (15) "Termination of services" means the cessation of any services for

139 a period greater than one hundred eighty days.

140 [(15)] (16) "Transfer of ownership" means a transfer that impacts or
141 changes the governance or controlling body of a health care facility,
142 institution or large group practice, including, but not limited to, all
143 affiliations, mergers or any sale or transfer of net assets of a health care
144 facility.

145 [(16)] (17) "Unit" means the Health Systems Planning Unit."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	<i>January 1, 2023</i>	New section
Sec. 502	<i>from passage</i>	19a-639a(a)
Sec. 503	<i>from passage</i>	19a-630